

## HOW TO USE THIS DOCUMENT

This budget document is intended to provide Rockford Citizens with information about 2013 City government and services.

The Table of Contents lists every subject covered in this document and its' page number. The document is organized under three major headings composed of a total of eight divider sections (Roman Numerals).

### INTRODUCTORY SECTION

- I. Executive Summary
  - Citizen's Budget Highlights
  - How To Use This Document
  - The Budget Process and Document
  - Significant Budget Issues

### PROGRAM SUMMARIES

- II. Legislative and Management Services
- III. Community Development Services
- IV. Human Services
- V. Public Safety Services
- VI. Public Works Services
- VII. Non-Operating Funds

### SUPPORTING INFORMATION

- VIII. Supplemental Section
  - Summary Schedules
  - Financial Policies

This budget is a financial plan relating proposed City services for the year with the estimated means of financing them. The budget is prepared on a basis sufficient to accommodate accounting, legal and management requirements.

The 2013 budget is comprised of sixty-six (66) budgetary units. A budgetary unit can be defined as either a department, such as the Police Department, or a division of a department, such as the Street Division of the Public Works Department. A department, utilized in a managerial fashion by the City, can be by fund, such as the Library Fund or can be part of a fund, like the Fire Department in the General Fund. It also can consist of parts of the General Fund as well as other funds, such as the Community Development and Public Works Departments. An accounting fund(s) can be a department, like the 911 Communications Fund, or a division of a department, such as the Water Fund in Public Works.

Each city budgetary unit, regardless of accounting fund, is assigned to a program category, i.e., Police to Public Safety. For those readers interested in the City budget from a purely fund accounting point of view, the summary schedules in the appendix address that need as does the Revenue and Financing Changes section in

the summary's Significant Budget Issues. Revenues from a program perspective are discussed under each department.

The description of each budgetary unit and its programs is structured as follows:

**Budgetary Unit Summary**

- Mission Statement
- Primary Functions
- Objectives for Fiscal Year 2013
- Budget Summary (2011-2013 Expenditure and 2010-2013 Funding Analysis)
- Authorized Personnel
- Budget Highlights
- Five Year Financial Forecast
- Capital Equipment
- Performance Measures
- Operational Information

The City utilizes a cost center budget with a cost center defined as the budget for a specific service being delivered. The primary advantage of cost center budgeting is that it gives policy makers and management exact information concerning a service and its associated costs for the decision making process. The cost center provides a description of the service being provided, how it is being provided and the service unit being delivered. For example, cost centers in the Fire Department budget are categorized by function such as Ambulance or Arson Investigation. The budget for a cost center includes all costs associated with providing the particular service, labor, fringe benefit, contractual, supply, interest and capital expenditures.

Additional information on the City's fiscal affairs is available in the following documents at City Hall:

City Financial Statements  
City Annual Report  
City Capital Improvements Program

The Finance Department staff is also available to answer any questions citizens may have on the City's financial affairs:

City of Rockford - Finance Department  
425 East State Street  
Rockford, Illinois 61104  
(815) 987-5643

## **BASIS OF BUDGETING**

The City's budget is prepared on the gross, rather than net budgetary basis. In order to associate costs with services, revenues and expenditures for pensions and certain other fringe benefits are budgeted by premium or unit/percentage allocation in departments providing services and are then transferred to funds that provide for the actual expenditures.

All revenues and expenditures that result from transfers between funds are adjusted to eliminate overstatements when all funds are consolidated.

The 2012 audit is not yet completed, this document provides estimates of 2012 expenditures and revenues.

The budget for the City of Rockford general government funds (these include the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Project Funds) is prepared on a modified accrual basis consistent with Generally Accepted Accounting Principles. This means that expenditures are recorded when the related fund liability (such as an outstanding purchase order) is incurred and revenue is recognized when measurable and available. Expendable trust and agency funds are also prepared on the modified accrual basis.

Enterprise Funds, Internal Service Funds, Non-expendable Trust Funds, Pension Trust Funds, and Component Units are budgeted according to accrual accounting. These funds recognize revenues in the accounting period in which they are earned and become measurable while expenses are recognized in the period they are incurred. Budgeting for these funds is also consistent with Generally Accepted Accounting Principles.

The City attempts to use Generally Accepted Accounting Principles when preparing the budget, one exception is noted: for budget purposes, Proprietary Funds expense compensated absence liabilities when paid to employees as opposed to GAAP statements which require these liabilities to be accrued as earned.